



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-086]

### Steel Propane Cylinders from the People's Republic of China: Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstance Review

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) is initiating a changed circumstances review of the antidumping duty (AD) order on steel propane cylinders from the People's Republic of China (China). Further, Commerce preliminarily determines that Yi Jun Hong Kong Limited (Yi Jun) is the successor-in-interest to Hong Kong GSBF Company Limited (GSBF) and should be assigned the same AD cash deposit rates for purposes of determining AD liability. Interested parties are invited to comment on these preliminary results.

**DATES:** Effective [Insert date of publication in the *Federal Register*.]

**FOR FURTHER INFORMATION CONTACT:** Katherine Sliney, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2437.

### SUPPLEMENTARY INFORMATION:

#### Background

On August 15, 2019, Commerce published in the *Federal Register* the AD order on steel propane cylinders from China.<sup>1</sup> On September 30, 2021, Commerce received a request on behalf of Yi Jun for an expedited changed circumstances review, pursuant to section 751(b)(1) of the

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<sup>1</sup> See *Steel Propane Cylinders from the People's Republic of China and Thailand: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Orders*, 84 FR 41703 (August 15, 2019) (*Order*).

Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(b), to establish Yi Jun as the successor-in-interest to GSBF, a Hong Kong trading company and exporter of steel propane cylinders from China produced by GSBF's affiliated producer, GSBF Tank, and thus, entitled to the AD cash deposit rate of GSBF.<sup>2</sup> We did not receive comments from other interested parties concerning this request.

#### Scope of the *Order*

The merchandise covered by the *Order* is steel cylinders for compressed or liquefied propane or other gases (steel propane cylinders) meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specifications 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or United Nations pressure receptacle standard ISO 4706 and otherwise meeting the description provided below. The scope includes steel propane cylinders regardless of whether they have been certified to these specifications before importation. Steel propane cylinders range from 2.5 pound nominal gas capacity (approximate 6 pound water capacity and approximate 4–6 pound tare weight) to 42 pound nominal gas capacity (approximate 100 pound water capacity and approximate 28–32 pound tare weight). Steel propane cylinders have two or fewer ports and may be imported assembled or unassembled (*i.e.*, welded or brazed before or after importation), with or without all components (including collars, valves, gauges, tanks, foot rings, and overfill prevention devices), and coated or uncoated. Also included within the scope are drawn cylinder halves, unfinished propane cylinders, collars, and foot rings for steel propane cylinders.

An “unfinished” or “unassembled” propane cylinder includes drawn cylinder halves that have not been welded into a cylinder, cylinders that have not had flanges welded into the port hole(s), cylinders that are otherwise complete but have not had collars or foot rings welded to

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<sup>2</sup> See Yi Jun's Letter, “Steel Propane Cylinders from the People's Republic of China – Yi Jun/ GSBF Changed Circumstances Review,” dated September 30, 2021 (CCR Request).

them, otherwise complete cylinders without a valve assembly attached, and cylinders that are otherwise complete except for testing, certification, and/or marking.

The *Order* also covers steel propane cylinders that meet, are produced to meet, or are certified as meeting, other U.S. or Canadian government, international, or industry standards (including, for example, American Society of Mechanical Engineers (ASME), or American National Standard Institute (ANSI)), if they also meet, are produced to meet, or are certified as meeting USDOT Specification 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or a United Nations pressure receptacle standard ISO 4706.

Subject merchandise also includes steel propane cylinders that have been further processed in a third country, including but not limited to, attachment of collars, foot rings, or handles by welding or brazing, heat treatment, painting, testing, certification, or any other processing that would not otherwise remove the merchandise from the scope of the *Order* if performed in the country of manufacture of the in-scope steel propane cylinders.

Specifically excluded are seamless steel propane cylinders and propane cylinders made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight), aluminum, or composite fiber material. Composite fiber material is material consisting of the mechanical combination of two components: Fiber (typically glass, carbon, or aramid (synthetic polymer)) and a matrix material (typically polymer resin, ceramic, or metallic).

The merchandise subject to the *Order* is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

#### Initiation and Preliminary Results

Pursuant to section 751(b)(1) of the Act, Commerce will conduct a changed circumstances review upon receipt of information concerning, or a request from, an interested

party for a review of an AD order which shows changed circumstances sufficient to warrant a review of the order. In the past, Commerce has used changed circumstances reviews to address the applicability of cash deposit rates after there have been changes in the name or structure of a respondent, such as a merger or spinoff ('successor-in-interest' or 'successorship' determinations).<sup>3</sup> Based on a review of the request from Yi Jun, and in accordance with section 751(b) of the Act and 19 CFR 351.216(d) and (e), we find that the information submitted in the CCR Request supporting Yi Jun's claim that it should be treated as the successor-in-interest to GSBF is sufficient to warrant such a review to determine whether Yi Jun is entitled to GSBF's AD cash deposit rate.

Section 351.221(c)(3)(ii) of Commerce's regulations permits Commerce to combine the notice of initiation of a changed circumstances review and the notice of preliminary results if Commerce concludes that expedited action is warranted.<sup>4</sup> In this instance, because the record contains information necessary to make a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and the notice of preliminary results.<sup>5</sup>

Accordingly, pursuant to section 751(b) of the Act, we have conducted a successor-in-interest analysis in response to Yi Jun's request. In making a successor-in-interest determination, Commerce examines several factors, including, but not limited to, changes in the following: (1) management; (2) production facilities; (3) supplier relationships; and (4) customer base.<sup>6</sup> While no single factor or combination of factors will necessarily provide a dispositive

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<sup>3</sup> See, e.g., *Diamond Sawblades and Parts Thereof from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 82 FR 51605, 51606 (November 7, 2017) (*Diamond Sawblades Preliminary*), unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 82 FR 60177 (December 19, 2017) (*Diamond Sawblades Final*).

<sup>4</sup> See 19 CFR 351.221(c)(3)(ii); see also *Certain Pasta from Italy: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 80 FR 33480, 33480-41 (June 12, 2015) (*Pasta from Italy Preliminary Results*), unchanged in *Certain Pasta from Italy: Final Results of Changed Circumstances Review*, 80 FR 48807 (August 14, 2015) (*Pasta from Italy Final Results*).

<sup>5</sup> See, e.g., *Pasta from Italy Preliminary Results*, 80 FR at 33480-41, unchanged in *Pasta from Italy Final Results*, 80 FR at 48807.

<sup>6</sup> See, e.g., *Diamond Sawblades Final*; and *Certain Frozen Warmwater Shrimp from India: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 83 FR 37784 (August 2, 2018), unchanged in *Certain Frozen Warmwater Shrimp from India: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 83 FR 49909 (October 3, 2018).

indication of a successor-in-interest relationship, generally, Commerce will consider the new company to be the successor to the previous company if the new company's resulting operation is not materially dissimilar to that of its predecessor.<sup>7</sup> Thus, if the evidence demonstrates that, with respect to the production and sales of the subject merchandise, the new company operates as essentially the same business entity as the former company, Commerce will accord the new company the same antidumping treatment as its predecessor.<sup>8</sup>

We preliminarily determine that Yi Jun supplied sufficient evidence to determine that Yi Jun is the successor-in-interest to GSBF. Specifically, Yi Jun provided documentation demonstrating approval of GSBF's name change by GSBF's shareholders<sup>9</sup> (which remained unchanged from the underlying investigation, as well as the shareholders of its affiliated supplier, GSBF Tank), noting that GSBF's shareholders decided to change the company name and start building their own brand. GSBF's shareholders approved of the name change in January 2020, but Yi Jun continued to do business as GSBF until its corporate bank account was changed to reflect the new name in September 2021.<sup>10</sup> Yi Jun asserts that the change in company name was cosmetic only, was made with the sole purpose of developing a distinct brand, and had no impact on the internal or external operation and structure of the company.<sup>11</sup> As support, Yi Jun provides the name change certificate issued by the Hong Kong Registrar of Companies<sup>12</sup> and GSBF's business license before and after the change to Yi Jun which reflect a "replacement" business registration, which substantiates that there was no change in address or the material details of the registration.<sup>13</sup> Yi Jun also provided updated articles of association that reflect the name change, but are otherwise unchanged from the prior articles.<sup>14</sup> The lack of changes to the

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<sup>7</sup> *Id.*

<sup>8</sup> *See also, e.g., Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 64953 (October 24, 2012), unchanged in *Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 73619 (December 11, 2012).

<sup>9</sup> *See* CCR Request at Exhibit 1.

<sup>10</sup> *See* CCR Request at 4-5.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at Exhibit 2.

<sup>13</sup> *Id.* at Exhibit 3 and 4.

<sup>14</sup> *Id.* at Exhibit 5.

articles supports the claim that Yi Jun's operations with respect to the sales of subject merchandise have not materially changed as a result of its name change.

In addition, the record includes a list of company officials before and after the name change, supporting Yi Jun's assertion that the managing staff remained the same.<sup>15</sup> Further, Yi Jun notes that the subject merchandise sold to the U.S. by both GSBF and Yi Jun were all sourced from GSBF Tank, and that neither GSBF nor Yi Jun manufactures steel propane cylinders (*i.e.*, the company has been and will continue to only serve as an exporter).<sup>16</sup> Moreover, Yi Jun provided lists of both its suppliers and U.S. customers, before and after the name change to support its assertion that there have been no material changes to GSBF's suppliers<sup>17</sup> or its customer base following the name change. Yi Jun notes it has only added one U.S. customer through the normal course of business.<sup>18</sup>

Therefore, based on the aforementioned evidence on the record, we preliminarily determine that Yi Jun is the successor-in-interest to GSBF, as the change in the business' name was not accompanied by significant changes to its management and operations, supplier relationships, or customer base.<sup>19</sup> Thus, we preliminarily determine that Yi Jun operates as essentially the same business entity as GSBF, that Yi Jun is the successor-in-interest to GSBF, and that Yi Jun should receive the same AD cash deposit rate with respect to subject merchandise as its predecessor, GSBF.

Should our final results remain unchanged from these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise exported by Yi Jun

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<sup>15</sup> *Id.* at Exhibit 6.

<sup>16</sup> *Id.* at 3.

<sup>17</sup> Yi Jun clarified that sales of subject merchandise between GSBF Tank and GSBF which were subsequently exported to the United States by GSBF during the underlying investigation were made through an unaffiliated Chinese trading company, and that though this trading company was listed as a supplier of GSBF, this was merely a paper transaction. However, GSBF Tank has since discontinued this relationship, and GSBF Tank now sells directly to GSBF/Yi Jun and no longer utilizes the unaffiliated trading company. *Id.* at 6-7.

<sup>18</sup> *Id.* at Exhibit 7 and 8.

<sup>19</sup> Yi Jun did not provide evidence concerning changes to production facilities, as neither the prior company GSBF, nor Yi Jun produces steel propane cylinders. As noted above, the company acts only as an exporter of the subject merchandise.

the AD cash deposit rate applicable to GSBF. Commerce will issue its final results of the reviews in accordance with the time limits set forth in 19 CFR 351.216(e).

#### Public Comment

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 14 days of publication of this notice.<sup>20</sup> In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 14 days after the date of publication of this notice.<sup>21</sup> Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the case briefs, in accordance with 19 CFR 351.309(d). Parties who submit case or rebuttal briefs are encouraged to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>22</sup> All comments are to be filed electronically using ACCESS, available to registered users at <https://access.trade.gov>, and must also be served on interested parties. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day it is due.<sup>23</sup> Note that Commerce has temporarily modified certain requirements for serving documents containing business proprietary information, until further notice.<sup>24</sup>

Consistent with 19 CFR 351.216(e), we will issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to our preliminary finding.

#### Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i) of the Act and 19 CFR 351.216(b), 351.221(b) and 351.221(c)(3).

Dated: November 15, 2021.

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<sup>20</sup> Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

<sup>21</sup> Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

<sup>22</sup> See 19 CFR 351.309(c)(2).

<sup>23</sup> See 19 CFR 351.303(b).

<sup>24</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Ryan Majerus,  
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Performing the Non-Exclusive Functions and Duties of the  
Assistant Secretary for Enforcement and Compliance.

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